

SENATE BILL 938

By Kyle

AN ACT to amend Tennessee Code Annotated, Title 10, Chapter 7 and Title 49, Chapter 13, relative to the Transparency in Charter School Finance Act.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 13, is amended by adding the following language as a new section:

(a) This act is known and may be cited as the "Transparency in Charter School Finance Act."

(b) A charter school and the chartering management organization is subject to the open records law, compiled in title 10, chapter 7.

(c) In addition to the open records law, compiled in title 10, chapter 7, a charter school shall disclose each fiscal year to the comptroller of the treasury:

(1) The salaries and other payments made to each charter school employee;

(2) If employees of the charter school are paid through a contract between the school and a third party, the salaries and other payments made to each such individual from the third party;

(3) The amount and a description of all contract payments that exceed ten thousand dollars (\$10,000); and

(4) The amount of all monies and payment received by the charter school, including state and local funds under the basic education program (BEP), grants, donations, and contract payments, and an explanation of the payments.

(d) If a charter school makes payments to a business entity that exceeds one thousand dollars (\$1,000) in a fiscal year, then the charter school shall disclose if the charter management organization or the employees or the family members of employees of the organization have a financial interest in the charter management organization to the comptroller of the treasury. For the purposes of this subsection (d):

(1) "Family members" means spouse, parents, siblings, and children or the parents, siblings, or children of a spouse; and

(2) "Financial interest" means an officer, director, employee, or contractor of the charter management organization, except for the ownership of publicly traded stock equaling less than ten percent (10%) of the company.

SECTION 2. This act takes effect July 1, 2021, the public welfare requiring it.